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Utah Insurance Department Provides Information on Recently Enacted Federal COBRA and Utah mini-COBRA Laws

On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act (ARRA). The new law provides a subsidy that may reduce the cost of COBRA and Utah mini-COBRA continuation coverage for workers who lose their jobs by 65%.

Governor Jon M. Huntsman, Jr. signed HB178 on Wednesday, March 25, 2008 to ensure that Utahns who lost their jobs at small businesses after September 1, 2008 will qualify for federal benefits that pay up to 65 percent of Utah mini-COBRA continuation coverage premiums. The subsidy is available to individuals who were involuntarily terminated without cause on or after September 1, 2008. ARRA provides premium assistance for certain individuals receiving COBRA and Utah mini-COBRA continuation coverage. The premium assistance applies to periods of continuation coverage beginning on or after February 17, 2009, and may last up to 9 months.

For individuals who lost their jobs after September 1, 2008, and before ARRA was enacted on February 17, 2009, who did not initially elect to enroll in COBRA, the federal economic recovery package provides for a "special election period" during which they may enroll in COBRA to take advantage of the new subsidy. However, while ARRA extended the 65 percent premium subsidy to state continuation plans, the Act did not extend a "special election period" to those covered under State "mini-COBRA" continuation laws. The bill signed by Governor Huntsman on Wednesday amends State law to create such an election period, allowing a qualified individual a second chance to choose Utah mini-COBRA coverage in order to take full advantage of the federal subsidy. Utahns who were involuntarily terminated from employment between September 1, 2008 and February 17, 2009 must contact their former employer or insurer on or before April 17, 2008 to inform the employer or insurer that they want to take advantage of the second election period for Utah mini-COBRA coverage.

Any Utahn who is not sure where to turn for health care coverage information during these turbulent economic times should feel free to contact the Health Insurance Division of the Utah Insurance Department for information at www.insurance.utah.gov or call (801) 538-3077 or toll free in Utah (800) 439-3805.

For general information about COBRA coverage and changes to COBRA under the ARRA contact the Department of Labor at (866) 444-3272 or visit their website at www.dol.gov/COBRA. There you can find more information about who is considered to be an "assistance eligible individual," the special COBRA election opportunity under ARRA, model notices and more.